

## **Exhibit F – Terms and Conditions**

**Terms of Payment:** Customer hereby agrees to pay all invoices when due, and all invoices for services are due on net thirty (30) days basis from the date on which invoices were issued. Invoices are due and payable at Company's home office at 1437 E Street, Jourdanton, TX 78026. Payment will be deemed made when actually received by Company. If Customer disputes any item invoiced, Customer shall within twenty (20) days from the date of the invoice, notify Company of the items disputed, specifying the reason thereof. Payment of the disputed items may be withheld until settlement of the dispute, but payment of any undisputed portion shall be made within its terms above set forth. Customer agrees that any invoice or the undisputed portion thereof not paid in accordance with its terms shall bear interest at the maximum rate permitted by law at the time payment becomes delinquent until paid.

2. **Indemnities:**

THE PARTIES RECOGNIZE THAT IN CONNECTION WITH THE SERVICES, OPERATIONS, AND THE PROVISION OF GOODS, EQUIPMENT AND FACILITIES CONTEMPLATED BY THIS AGREEMENT, THERE IS SOME RISK THAT ACCIDENTS AND EVENTS MAY OCCUR IN WHICH PROPERTY IS LOST, DAMAGED OR DESTROYED AND/OR IN WHICH PERSONS MAY BE KILLED OR INJURED. THE PARTIES DESIRE TO REQUIRE THAT THESE RISKS BE ADEQUATELY INSURED SO AS TO MINIMIZE THE POSSIBILITY OF DISPUTES AND TO ENGAGE IN EFFECTIVE RISK MANAGEMENT. FOR THESE REASONS, THE PARTIES AGREE TO THE INDEMNITY PROVISIONS AND INSURANCE REQUIREMENTS SET FORTH BELOW.

- (A) COMPANY, ITS PARENT, AFFILIATES, OFFICERS, DIRECTORS, AND EMPLOYEES SHALL NOT BE DIRECTLY OR INDIRECTLY LIABLE TO ITS PARENT, AFFILIATES, OFFICERS, DIRECTORS, AND EMPLOYEES HARMLESS FROM, ANY AND ALL LIABILITIES, ACTIONS, CAUSES OF ACTION, CLAIMS, LOSSES, DAMAGES, DEMANDS, SUITS, COSTS, ATTORNEY'S FEES, LEGAL EXPENSES WITHOUT LIMITATION, WITHOUT LIMITATION REGARD TO THE CAUSES THEREOF FROM OR RELATED TO ANY PERSONAL INJURY OR DEATH SUSTAINED BY ANY PERSON INCLUDING WITHOUT LIMITATION ANY AGENT, EMPLOYEE REPRESENTATIVE, OR INVITES OF CUSTOMER OR COMPANY OR ANY CONTRACTOR OR SUBCONTRACTOR OF CUSTOMER OR COMPANY, IN ANY MANNER ARISING OUT OF OR RELATED TO THE PERFORMANCE OF THIS CONTRACT BY COMPANY, AND EQUIPMENT USED OR SUPPLIED BY COMPANY (EVEN IF SUCH EQUIPMENT IS ACTUALLY OR ALLEGEDLY DEFECTIVE), OR THE USE OF EQUIPMENT BY COMPANY, EVEN IF SUCH PERSONAL INJURY OR DEATH IS CAUSED, IN WHOLE, OR IN PART BY THE SOLE, ACTIVE, PASSIVE, OR CONCURRENT NEGLIGENCE OR GROSS NEGLIGENCE OF COMPANY OR ANY AGENT, EMPLOYEE, REPRESENTATIVE, CONTRACTOR, SUBCONTRACTOR, OR BY ANY OTHER ACT, OMISSION OR FAULT OF COMPANY, OR ANY AGENT, EMPLOYEE, REPRESENTATIVE, CONTRACTOR OR SUBCONTRACTOR OF COMPANY.
- (B) COMPANY, ITS PARENT, AFFILIATES, OFFICERS, DIRECTORS, AND EMPLOYEES SHALL NOT BE DIRECTLY OR INDIRECTLY LIABLE TO CUSTOMER FOR, AND CUSTOMER HEREBY AGREES TO FULLY AND FOREVER RELEASE, DEFEND, INDEMNIFY, AND HOLD COMPANY, ITS PARENTS, AFFILIATES, OFFICERS, DIRECTORS, AND EMPLOYEES, HARMLESS FROM, ANY AND ALL LIABILITIES, ACTIONS, CAUSES OF ACTION, CLAIMS, LOSSES, DAMAGES, DEMANDS, SUITS, COSTS, ATTORNEY'S FEES AND EXPENSES, ARISING FROM OR RELATED TO ANY DAMAGE TO PROPERTY, OR OTHER PERSONAL, TANGIBLE OR INTANGIBLE, OF ANY PARTY WHATSOEVER, INCLUDING CUSTOMER, INCLUDING, BUT NOT LIMITED TO LOSS OR DAMAGE TO THE WELL, WELLBORE, HOLE, DOWNHOLE EQUIPMENT, RESERVOIR, GEOLOGICAL FORMATION OR GEOLOGICAL STRATA, OR ANY ABOVE-SURFACE LOSS, DAMAGE OR POLLUTION, EVEN IF SUCH PROPERTY DAMAGE WAS CAUSED IN WHOLE OR IN PART, BY THE SOLE OR CONCURRENT NEGLIGENCE OR GROSS NEGLIGENCE OF COMPANY OR ANY AGENT, EMPLOYEE, REPRESENTATIVE, CONTRACTOR OR SUBCONTRACTOR OF COMPANY, ANY DEFECT IN EQUIPMENT USED OR SUPPLIED BY COMPANY, OR ANY AGENT, EMPLOYEE, REPRESENTATIVE, CONTRACTOR, OR SUBCONTRACTOR OF COMPANY, ANY DEFECTIVE OR IMPROPER USE OF EQUIPMENT BY COMPANY, OR ANY AGENT, EMPLOYEE, REPRESENTATIVE, CONTRACTOR OR SUBCONTRACTOR OF COMPANY, OR BY ANY OTHER ACT, OMISSION OR FAULT OF COMPANY OR ANY AGENT, EMPLOYEE, REPRESENTATIVE, CONTRACTOR, OR SUBCONTRACTOR OF COMPANY.

IT IS THE INTENT OF CUSTOMER AND COMPANY THAT THE PROVISIONS SET FORTH IN (A) AND (B) ABOVE COMPLY WITH THE EXPRESS NEGLIGENCE RULE UNDER TEXAS LAW. IN THIS REGARD, CUSTOMER SHALL PROVIDE FULL LIABILITY INSURANCE COVERAGE FOR COMPANY AND ITS CONTRACTORS AND SUBCONTRACTORS, WHICH PROVIDES FOR THE INDEMNITY AS SET FORTH ABOVE, IN THE AMOUNT OF NO LESS THAN \$500,000.00. CUSTOMER'S OBLIGATIONS TO INDEMNIFY COMPANY, AS SET FORTH ABOVE, SHALL NOT BE LIMITED TO THE EXTENT OF THE DOLLAR LIMITS OF INSURANCE COVERAGE CUSTOMER HAS AGREED TO FURNISH HEREIN, WHETHER OR NOT SUCH COVERAGE HAS ACTUALLY BEEN FURNISHED BY CUSTOMER. IT IS UNDERSTOOD AND AGREED THAT FOR WORK PERFORMED IN THE STATE OF TEXAS AND COVERED BY TEXAS CIVIL PRACTICE AND REMEDIES CODE ANNOTATED, 127.001-005 (VERNON 1986 SUPP 1992), AS AMENDED, (A) THE PROVISIONS SET FORTH IN PARAGRAPH A AND B ABOVE ARE SUBJECT TO AND EXPRESSLY LIMITED BY THE TERMS AND CONDITIONS OF THE AFOREMENTIONED STATUTE, AND (B) THE AFOREMENTIONED STATUTE IS INCORPORATED HEREIN FURTHERMORE. IF IT IS JUDICIALLY DETERMINED THAT THE MONETARY LIMITS OF INSURANCE REQUIRED HEREUNDER OR THE INDEMNITIES VOLUNTARILY PROVIDED BY THIS AGREEMENT EXCEED THE MAXIMUM LIMITS PERMITTED UNDER APPLICABLE LAW, IT IS AGREED THAT SAID INSURANCE REQUIREMENTS OR INDEMNITIES SHALL AUTOMATICALLY BE AMENDED TO CONFORM TO THE MAXIMUM MONETARY LIMITS PERMITTED UNDER SAID LAW.

3. **Waiver:** Customer agrees to waive the provisions of the Texas Deceptive Trade Practices - Consumer Protection Act, or any similar federal or state statute to the extent permitted by law.
4. **Modification:** Customer agrees that Company shall not be bound by any modifications to this agreement, except for such modification is made in writing by a duly authorized executive officer of Capital Well Service, LLC.
5. **Severability:** In case of the provisions of the Agreement shall be held invalid, illegal or unenforceable, the validity, legality, and enforceability of the remaining provisions shall not in any way be affected, modified, or impaired thereby.
6. **Damage/Lost Tools:** Damaged tools will be repaired solely at the expense of Customer. In the event Company's tools are lost, a minimum charge of Fifty (50) Percent (50%) of the rental price will be made for current rentals. The tools will then be charged as a sale as new tools at replacement price. Additional billing may be made for tools sold when price or time of delivery exceeds selling price. Lost rental tools belonging to other companies will be billed in accordance with their practices. In the event tools stolen or lost in the well are recovered, the credit for the sale of tools will be given less a standby minimum rental for each thirty (30) days the tools are in the hole or remain stolen, less any repairs to replace the tools in original working order. Recovered tools belonging to other companies will be the tools in original working order. Recovered tools belonging to other companies will be billed in accordance with their practices. Tools and/or parts which are billed as a sale after having been damaged beyond repair in Customer's well will be held for Customer for sixty (60) days. If they are not claimed at the expiration of that time, title to said tools and parts will revert to Company and are subject to disposal at the discretion of Company.
7. **Governing Law and Venue:** This Agreement, and the rights and obligations of the parties hereunder, shall be construed and governed in accordance with the law of the state of Texas. Venue for any legal proceedings brought by either party under this Agreement shall be in Atascosa County, Texas.
8. **Attorney's Fees:** Customer agrees to pay all attorney's fees, collection and court costs if its account is placed in the hands of an attorney or collection agency for collection.
9. **Equipment Liability:** Customer shall at its risk and expense attempt to recover any Company equipment lost or lodged in the well. If the equipment is recovered and repairable, Customer shall pay the repair costs, unless caused by Company's sole negligence. If the equipment is not recovered or is irreparable, Customer shall pay the replacement cost, unless caused by Company's sole negligence. If a radioactive source becomes lost or lodged in the well, Customer shall meet all requirements of Section 39.15(a) of the Nuclear Regulatory Commission regulations and any other applicable laws or regulations concerning retrieval or abandonment and shall permit Company to monitor the recovery or abandonment efforts all at no risk or liability to Company. Customer shall be responsible for damage to or loss of Company equipment, products and materials while in transit aboard Customer-supplied transportation, even if such is arranged by Company at Customer's request, and during loading and unloading from such transport. Customer will also pay for the repair, or replacement of Company equipment damaged by corrosion or abrasion due to well effluents.